



# CITY OF HOUSTON

Finance and Administration  
Department

## Interoffice

Correspondence

To: Mayor Bill White  
Members of City Council

From: Judy Gray Johnson, Director  
Finance and Administration

Date: November 23, 2005

Subject: **OCTOBER MONTHLY FINANCIAL  
AND OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending October 31, 2005.

### **General Fund Revenues**

- Our projection for FY06 General Fund revenues is \$9.2 million higher than last month.
- The projection for Interest revenues is \$1 million higher due to increases in interest rates.
- The projection for Miscellaneous/Other revenues is \$8.2 million higher due to \$5 million for a one-time sale of land at the Public Works facility on Gillette and \$3.2 million for an electricity rate case reimbursement from Reliant Energy.

### **General Fund Expenditures**

- Our projection for FY06 General Fund expenditures is \$784 thousand lower than last month due to a reduction in projected expenditures by Building Services for electricity. All of the projected electricity costs in this month's report are based on the same assumptions using the natural gas futures market prices for the remaining months of the fiscal year.
- The transfer of Parking Management from Municipal Courts to Convention & Entertainment effective October 1, 2005 is reflected in the General Fund presentations in this report.

### **General Fund Ending Fund Balance**

We are projecting an ending unreserved undesignated fund balance of \$129.96 million, which is approximately 9.4% of estimated expenditures less debt service.

### **Combined Utility System Fund**

- The projection for Electricity and Gas is \$23.8 million higher than last month due to an increase in projected expenditures for electricity which was shown at budget last month.
- Expenditures for Contracts and Other Payments are projected to be \$2.2 million lower than last month. Expenditures for electricity for the Houston Area Water Corporation (HAWC) were originally budgeted in Contracts and Other Payments but now are included in the projection for Electricity and Gas mentioned above.
- Sale of Property revenue is \$4.4 million higher than budgeted primarily due to a sale of property at 306 McGowen.
- Other Revenue has been increased by \$2.4 million to reflect a refund of bond escrow funds relating to Harris County Utility District #5.
- The projection for Debt Service payments for the Houston Area Water Corporation (HAWC) is \$980 thousand higher than last month.

### **Stormwater Fund**

- Personnel costs are projected to be \$1.8 million lower than budgeted due to higher than expected employee turnover.
- The projection for the Transfer In from the Combined Utility System is \$1.7 million lower than budgeted due to the decrease in projected expenditures for personnel.

### **Convention & Entertainment Facilities Operating Fund**

- Collections of Hotel Occupancy Taxes as of November 15, 2005 are up \$3 million compared with the first half of last year. As a result, revenues from the Hotel Occupancy Tax are still projected to reach the original budgeted total.
- Expenditures for electricity are \$1 million higher than budgeted.

### **Aviation Operating Fund**


- Expenditures for electricity are projected to be \$9 million more than budgeted.
- The projection for Interest revenue is \$5 million higher than last month due to expected increases in interest rates.

- The projection for Interest expense is \$1 million lower than last month due to an increase in expected additional grant funding which will be used to directly pay the interest expense.

**Katrina Aid & Recovery Fund**

City of Houston officials and staff continue to dedicate considerable time and effort toward working with FEMA to fund expenditures Houston has incurred as a result of Hurricane Katrina. Approximately \$27 million expenditures have been incurred through October 31, 2005 and approximately \$40 million in funding has been received from FEMA and other sources (slightly more than \$39 million from FEMA and slightly more than \$1 million from donations and other sources). In November an additional \$105.5 million has been obligated by FEMA and the City has requested advances of \$61 million, which should be received by the end of next week. As of November 19<sup>th</sup>, the Joint Housing Task Force has helped place over 20,000 evacuee households in apartments in the Houston area.

Please let me know if you have any questions.

  
Judy Gray Johnson, Director